

**Statement of James A. Rispoli
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U.S. Department of Energy
before the Subcommittee on Oversight and Investigations
Committee on Energy and Commerce
U.S. House of Representatives
At Paducah, Kentucky
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Good Morning, Congressman Whitfield and members of the Subcommittee. I am pleased to be here today to answer your questions on the status of the Department of Energy's Environmental Management program at the Paducah Gaseous Diffusion Plant. I would like to thank you and your Subcommittee for the ongoing support of the Paducah cleanup project.

This is my second visit to Paducah in the five months since I was sworn in as Assistant Secretary in August. I have had the opportunity to become familiar with the site—the cleanup accomplishments and the cleanup challenges that remain, as well as other issues that face the Department, site employees and the community. During my brief tenure, I have been impressed with the dedication of the employees, and appreciate the progress they have made in cleaning up the environmental legacy of the Cold War.

The last two years have been a time of change and transition for the Paducah site, not only through contractor transitions, but also through alterations in the familiar site landscape. Even as buildings are being removed and waste disposed, new construction is transforming what was an empty field into a state-of-the-art plant to convert and stabilize depleted uranium.

To place our upcoming efforts in perspective, here are some recent Paducah program highlights:

- Our most recent news is that the Department awarded a \$191.6 million remediation services contract on December 27, 2005, to Paducah Remediation Services LLC (“PRS”). This is a joint venture of Portage Environmental, a Native-American-

owned small business, and Shaw Environmental Services. We anticipate a smooth transition from the out-going contractor, Bechtel Jacobs Company, to PRS. The Department intends that the new contractor maintain a productive and flexible workforce, minimize the cost and impacts of the transition, and promote practices that result in stable collective bargaining relationships. To that end, the new contract provides graded preferences for current employees and former employees in hiring for vacancies for non-managerial positions during the first six months after the effective date of the contract. The process of awarding this contract has taken longer than expected, due in part to protests that were filed following the Department's initial selection of a winning bidder.

- Bechtel Jacobs, its employees, and subcontractors have continued to make progress in the cleanup program during the procurement process, and the overall cleanup project is on track to meet the 2019 cleanup completion date.
- A new Infrastructure Services contractor, Swift & Staley, successfully transitioned following a contract award in March 2005, and assumed full responsibility for its work scope in June 2005.
- The Depleted Uranium Hexafluoride (DUF₆) Conversion Project construction is well under way through a contract with Uranium Disposition Services, LCC. Under the approved Project Baseline schedule, conversion operations are expected to start by June 2008. This schedule was revised in 2005 to incorporate the effect of increased safety features for seismic protection and containment of hazardous chemicals. Schedule contingency was also added to increase confidence that the Project's major milestones will be met. In the next few months, the construction workforce will increase to between 150-200 employees. When conversion operations begin in 2008, the workforce will be sustained at about 150 employees.

Some of the key highlights on the Paducah project include:

- We emptied the last of 17 outside DOE Material Storage Areas, which completed removal of a number of potential sources of contamination. Overall, 75% of an estimated 865,000 cubic feet of DOE Material Storage Area materials has been

characterized and 30 percent of the materials disposed. We are scheduled to complete disposal of all these materials by 2010.

- Although we have experienced delays in shipping waste for disposal, we are aggressively pursuing our goals. We have completed approximately 30 percent of about 44,000 tons of the overall scrap metal removal work. DOE recently approved a change in subcontractor to expedite scrap metal shipping, reducing the projected time and costs for the remainder of the activity. We anticipate sending the last shipment of classified scrap metal to the Nevada Test Site by the end of March 2006. We expect to complete the entire scrap metal removal by the third quarter of FY2007.
- In FY 2005, we were able to accelerate several Paducah cleanup activities:
 - Completed demolition of the C-603 Nitrogen Facility, 5 years ahead of schedule
 - Disposed of 3 million pounds of uranium tetrafluoride (UF₄), 2 years ahead of schedule
 - Removed the C-410 Hydrogen Holder Tank, 8 years ahead of schedule
 - Accelerated by about three years disposal of nearly 700 cubic meters of legacy waste stored outdoors
 - Expedited work on three additional inactive facility removal activities, which will accelerate completion on these activities by one to four years.

Other major milestones we met in FY2005 and have met so far in FY2006 include:

- Disposed of about 4,025 tons of scrap metal, including approximately 1,428 tons of classified scrap metal from D-Yard. The D-Yard work is now 95 percent complete.
- Signed the C-400 Groundwater Record of Decision
- Completed Southwest Plume field work and issued the Draft Site Investigation Report to the regulators
- Issued the Remedial Action Completion Report for the North-South Diversion Ditch
- Completed the C-746-S&T Landfill investigation and submitted final report to regulators
- Disposed of 60,563 cubic feet of legacy waste in FY 2005
- Submitted Remedial Design Work Plan for C-400 Remedial Action

This brings me to one of the key success stories in the past two years that increases our confidence that we can reach our cleanup commitments—and that is the Department's

relationship with the Commonwealth of Kentucky and the U.S. Environmental Protection Agency. For several years, cleanup progress was hindered by disputes over milestones, regulatory compliance, and cleanup approaches. In 2003, the Department signed a Letter of Intent and a regulatory agreement—called the “Agreed Order”—with the Commonwealth of Kentucky, and subsequently modified our Site Management Plan consistent with the terms of both of these agreements. This has established a foundation upon which significant progress has been achieved.

A major event that is tangible evidence of progress is the issuance in August 2005 of a Record of Decision to remove trichloroethylene, or TCE, that is located in the area of the C-400 Cleaning Building, the main source of the contaminants to the Northwest Groundwater Plume. This action will significantly reduce a primary source of off-site contamination. DOE plans to begin field operations in 2007, with completion of treatment by 2010. The Department and our regulators are at various stages on other response actions to address hazards and mitigate risks at the Paducah site.

Mr. Chairman, let me turn to a recent issue that you have asked me to address: the possible presence, though unlikely, of residual phosgene in 2,541 depleted uranium cylinders stored at the Paducah site, and at Portsmouth, Ohio, and Oak Ridge, Tennessee. After the Department received a September 30, 2005, Inspector General Management Alert, we took immediate action to ensure no imminent safety and health concerns existed for plant workers or the community. A rigorous safety review process was employed to determine whether past operational practices eliminated any possible residual phosgene in the cylinders in question. This review process eliminated any question of residual phosgene in all but 25 cylinders. Of the 25 cylinders, 14 are stored at Paducah, 10 are stored at Portsmouth, and 1 is stored at Oak Ridge. A detailed plan to safely and properly characterize and disposition these cylinders has been developed and is being implemented. Worker safety and health requirements are sufficient to protect workers dispositioning these cylinders. All cylinders containing Uranium Hexafluoride or Depleted Uranium Hexafluoride have been subject to, and will continue to undergo, a prescriptive and rigorous monitoring and surveillance program. At no time will cylinders

of concern be introduced into the Depleted Uranium Hexafluoride Conversion Plant that would put either facility workers or the public at risk.

Paramount to our success in all areas of our project is safety—it is our top priority. Safety affects all involved——federal employees, contractor and subcontractor employees, the site, and the community. Here at Paducah, the Bechtel Jacobs Company and its subcontractor workforce can take pride in reaching a major safety milestone——more than 3 million safe work hours without a case of a lost workday away from the job. Also, the Depleted Uranium Hexafluoride Conversion Project construction crews logged nearly 250,000 safe work hours. All employees contributed to these records by taking seriously their personal responsibility to work safely. We will continue to maintain and demand the highest safety performance in all that we do. The message I have stressed to my field staff and to our contractors is that no schedule, no milestone, is worth any injury to our workforce. Every worker deserves to go home as healthy as she or he was when arriving each day on the job.

It is my goal to lead EM as a results-driven high performance organization. We are instilling a rigorous project management mindset that will be ingrained in all projects. We have taken major strides in integrating safety; now we must do the same with project management. The management tools used to manage cost and schedules must be used to manage and provide oversight integrally. Our success will depend on our ability to build in this rigor. We will target the shortcomings in our project management by using both DOE and industry standard project management and business management processes. I am personally conducting Quarterly Reviews of all EM projects, and have directed that my senior staff carry out monthly project reviews. This includes fully implementing our management systems, following through on corrective actions, and better applying risk management principles—that is identifying project uncertainties, developing mitigation measures and contingency, and holding action officers accountable for their resolution. I believe that this approach will be the key to our success with strong and effective project management.

Complementing these refinements, we must ensure that our projects are managed by highly skilled, competent and dedicated leaders and staff workers, both Federal and contractor, who have the responsibility and the authority to meet the EM program's objectives. In 2003, the Department formed the Portsmouth/Paducah Project Office, reporting directly to my office, to provide greater management focus and accountability. I believe this office has contributed to the Department's ability to recognize and address issues more rapidly. We will continue to streamline the relationship between the field and headquarters to enable the whole EM program to be more effective in its oversight role. I believe that if you have the right people in the right job with the right skills, they should be empowered to execute their responsibilities and be accountable for their decisions and outcomes.

I believe that by taking these steps we will be in a position to address the challenges that lay before us. I am committed to work with all interested parties to resolve issues and will work with this committee and the Congress to address any of your concerns or interests. DOE, our regulators, the communities and our contractors are partners in this effort. This partnership goes far beyond the limits of a contract or an agreement. Our success relies on this partnership. We are in this together---we all succeed or we all fail together. Your continued support is crucial to maintain the momentum that has so painstakingly been achieved.

I look forward to a continuing dialog with you and your staff. I will be pleased to answer any questions the subcommittee may have on this subject.